

7 February 1980

TO: Regional Director
National Marine Fisheries Service
1700 Westlake Avenue North
Seattle, Washington 98109

FROM: James. R. S. Carter
International Trade Consultant
915 E. Boston
Seattle, Washington 98102

(206) 329-3942

FOR: An applied study of the potential in certain stated European markets for the future development of the underutilized species of fish from the Pacific Northwest Region, leading to:

1. An orderly penetration of those markets by the fishing industry of the Region,

with,
2. A preliminary investigation of possible joint ventures in shore-based processing and manufacturing of value-enhanced fishery products using shellfish, fish, cereals, aluminum and many other foods and raw materials indigenous to the Pacific Northwestern states.

159,520 - 6/30/80

Proposed funding: \$169,800 per annum

Duration of project: April 1, 1980 - March 31, 1983

INTENTION

1. The first year objective of this multi-year study will be to discover and disclose the Commercial Intelligence essential to put in place a marketing framework for the orderly supply and development of sales based on a fishery of the underutilized species of the Pacific Northwest fishery in certain advanced foreign countries. Such Commercial Intelligence to be gained in face-to-face interviews in those territories at Companies listed in Appendix 3.
2. To produce such sales from the Pacific Northwest Fishery in ever-increasing amounts, thus reducing the national balance of payments imbalance figures and eliminating imports of foreign fish.
3. To examine and advise on the possibility and desirability of entering into mutually advantageous joint ventures with overseas companies capable of making a substantial input of capital and/or technology to the Pacific Northwest Fishery, a further aid to our foreign exchange balances.
4. To provide a guide to infra-structure development and like needs inherent in attaining the objectives specified in the Policy and Program statement from the Fisheries Task Force dated May 23, 1979.

DEFINITIONS

For this proposal it is essential that there be a clear understanding of what is meant when we refer to Joint Ventures, Commercial Information and Commercial Intelligence, etc.

Commercial Information is any knowledge that can be acquired in the public domain, e.g., Government Statistics, trade newspapers and magazines and the daily press. (e.g., NMFS, WFA (UK).)

Commercial Intelligence is the vital ingredient without which successful entry into a new market, area or region is difficult. This intelligence is usually closely held between purchasing and selling principals, and consists of WHO is buying WHAT from WHOM at Price (FOB or CIF) and Payment terms (Cash against Documents or Sight Drafts of 30, 60, 90 or 120-day terms, etc.). The specifications of the material purchased, which could be as loose as, e.g., "200 tonnes, Pacific Whiting (HAKE) as per sample supplied on 1/16/80." A Corporation trying to enter a market, and having all this information knows exactly what must be supplied, or what alternative species can reasonably be offered to fill the purchaser's needs.

Joint Ventures means a venture in which two or more companies of different national origins write to provide capital and technology in nearly equal amounts to develop mutually complementary objectives to the consumer benefit.

In European Terms F.O.B. means Free on Board (the ship in dock at a port in the selling country).
C.I.F. means Cost of goods, Insurance and Freight (into a bonded warehouse or area in the buying country).
C.F. means Carriage and Freight (but not Insurance) into bond in the buying country.

COMMENT

Commercial Intelligence gained in objective 1 will be widely disseminated by personal visits to processors by the U. S. based co-investigator, and by publicity in NMFS pink sheets and in "Business America", etc. Processors will be encouraged to fill the overseas needs, or bid on requirements, individually, or if the need is too big for one processor alone, by formation of a consortium. Some bids will inevitably come from outside the Pacific Northwest, especially for species indigenous only to, say, the Gulf Coast.

The main impediments to large sales are at present two-fold. Much of the harvesting and processing industry is fully committed to satisfying the needs of Japan, and is concentrated in the luxury fish field (salmon, halibut) and in the luxury shellfish field (King and Tanner crab). The remaining fleet, having no overseas market, is fishing for the Russian fleet, a situation which may soon end, leaving them unemployed. According to studies done by Prof. Vladimir Kaczynski¹, "Japanese interests are remarkably passive in establishing joint ventures with U. S. Partners in lower value market species like Alaska pollock." Processing availability is, therefore, a bottleneck and present processors are ill-placed to sustain an explosive expansion, in most cases, or support a steady fishing effort by the present fleet.

In parallel with a study of the marketing framework, this study will examine the desirability and possibility of entering into mutually advantageous joint ventures in processing with large European Corporations. To satisfy a projected \$1.9 billion annual demand for U. S. fish it is estimated that in the Pacific Northwest alone some \$300 million in investments will need to be made in boats and primary processing plants in the next two to three years. If fish are to be processed to a more desirable value-enhanced product suitable for direct delivery to supermarkets after labeling overseas, a further investment of \$300-\$400 million will be needed. To find \$700 million of high-risk investment in the U. S. alone at this time, particularly with high interest rates, might be difficult. If approximately 49% or 50% of the required capital can come from Europe it would make manufacturing capacity more readily available, provide a capital influx of \$350 million in approximately the next two to three years, transfer some overseas technology in refrigeration, production and preparations areas, and lastly, provide a captive overseas market for resulting production.

¹ International Joint Ventures in the North Pacific Fisheries, Page 21.

The resultant firm demand from both primary and manufacturing sources will provide guidelines to infrastructure development at ports serving the incoming harvesting fleet, whether from local in-shore fishermen or larger boats capable of sustained periods at sea, more of which will need to be built.

AGA Frigoscandia has indicated interest in the examination of expansion patterns and joint venture provision of processing and manufacturing plants in *coastal "Food Towns." (See attached letter and information.) Such processing plants could be in position at selected sites by 1981.

Potential demand, possible peak and production indices at all phases of a Pacific Northwest fishing industry directed to both foreign and domestic markets must be established before infrastructure plans can be designed or implemented. Only then can the harvesting, processing, and value enhanced manufacturing mixes be given correct priorities. Furthermore, until these mixes are established as a) Domestic, or b) Foreign by destination categories, it will be impossible to plan transportation modes in the U. S. or deep sea port handling capacity for the export factors of the mix.

But, all the above planning and strategic forecasting depends on Commercial Intelligence, again, Who buys WHAT, WHERE and for HOW MUCH in WHAT QUANTITY and Specification.

Appropriateness and Need For Government Assistance

Only with the coming of the 200-mile limit has local interest been aroused to any degree in fishing for underutilized species.

Before infrastructure plans for harvesting, processing and manufacturing plants can be implemented it is essential to know what foreign markets are buying and at what price and quantity to establish potential demand from this fishery.

With this knowledge production can be matched to demand, and if desirable, alternative species offered. Large international companies such as Dalgety, Castle & Cooke, and so on, have this information but, naturally, do not share it. The remainder of the industry is fragmented in small or specialized processing units, possibly under foreign control, and not equipped to seek out profitable direct sales prospects individually at home, or especially abroad. This study will provide the means to justify their entering a high-risk market with large capital demands in full knowledge of the needs of export conditions.

As the infrastructure needs become clearer and more established, needs for State and local Government aid will become clearly defined in such diverse areas as education of fishery executives at, e.g., the University of Washington, and training other lower rank personnel--foremen, tradesmen at community colleges and other practical "learn as you go" places, and in the planning, zoning, and environmental, etc., considerations inherent in plant establishment in expanded new locations.

Participation by Non-Government Entities

Forty-five copies of the pre-proposal were circulated for comment and advice. (See Appendix 1.) AGA Frigoscandia were approached separately as experts in the production, transportation and technical fields of on-shore processing and told of the objects delineated in our proposal, and as noted above, have indicated interest in our project and participation therein "even as a joint venture."

Professors F. Smith and J. Thompson of the Department of Agriculture and Resource Economics, Oregon State University, are conducting an international marketing and trade flow study under a NOAA grant and we have agreed to exchange all information on a formal basis to ensure we do not cover the same ground, although this is unlikely because they are investigating different species at a noncommercial academic level.

Federal, State and Local Government Activities

When the intelligence we collect is disseminated to the industry and orders result in excess of the present capacity to produce, expanding the means to supply foreign (and domestic) demand will have considerable, if possibly gradual, impacts.

Federally developed assistance plans aiding in capital formation directly, or by deferment of taxes on investments, will be utilized and if fuel rationing comes into force provision will have to be made for the new fishing boats. Depending on methods of powering projected plants, power supplies will come under extra demand for providing refrigeration and machine power in plants. Alternatively, if self-contained power sources are provided in plants fuel will be needed to drive generators, etc., though coastal winds could provide some assistance if the state of the art becomes commercially feasible. As noted under the paragraph "Appropriateness and Need for Government Assistance," there will be large demands and requirements for State and local governments to be involved in all phases of infrastructure forecasting planning and it must be emphasized such government entities must be kept fully informed from the very earliest stages of the intelligence and sales efforts, with a brief interpretation of short and long-term effects on the host community.

State Coastal Zoning plans may need revision or abrogation to provide the best possible commercial climate for incoming capital. Housing, and possibly schools, will be required to house new workers in the area, as well as normal support services for police, and traffic control.

To take advantage of the plant capacity year round, State encouragement should be given to producers of other types of food capable of change to frozen food products. In other words, soft fruit growers could initiate production of pies for export; wheat growers, the flour and crust manufacture, bread crumbs for breaded fish sticks; beef producers meat for dinner-type dishes; and aluminum-makers, metal for trays and wrapping foil. Likewise, if demand grew sufficiently for this type of "off season" activity, thought could be given to reviving the Eastern Washington sugar beet industry in whole or in part.

Communications and transportation routes by road and rail from harvesting areas of both fish, and fruit and vegetables would need to be in place or refurbished, and the efficiency of transportation routes, to and from production areas to shipment areas for deep sea shipping, rail or air, must also be a logistical consideration of the infrastructure development.

PROJECT OUTLINE

There are two major and immediate objectives:

1. To sell Pacific Northwest harvested fish of underutilized species by providing intimate knowledge of what foreign companies are each buying, what species, what specifications of size, shape and weight, if more than primary processing is done, in what quantity, at what price, and with what are their usual payment terms.
- 1b. At the same interview visit, discover from the Chief Executive or Managing Director his attitude and his company's posture with regard to entering into a joint venture in the Pacific Northwest to produce his needs in the frozen food market for fish dishes and all other frozen products they market, including vegetables, fruit, meat dishes, ice cream, etc., and their packaging.
2. When visiting chain stores who have "own label" products made for them, determine possibility of filling all or most of their needs from the Pacific Northwest.

The tasks to be performed are clearly to visit all the target companies listed in Appendix 3 country by country and, by face-to-face discussion, achieve the objectives listed above. Each visit will consume several hours, so time has been budgeted on a one call per day basis with some calls in reserve if interviews terminate early at the primary target and secondary targets are close by. The feasibility of obtaining all the required information in 1., above, is very high, as is 2.

In 1b. if 10% indicate an interest in joint ventures and 5% of contacts actually establish such a relationship, statistically, there will be 10 new processing and value-enhanced manufacturers in the Pacific Northwest. And, of the other 5% originally interested, some may prefer to take part only in a primary processing venture.

Two of the targeted companies, Oertker in West Germany, and British Allied Trawlers, already have companies vertically integrated from trawler to retail outlets and may well invest in a stable environment at all phases of operation where educated workers are available.

The European foreign exchange markets are now settled to reasonable stability within the EEC snake and at a level when the U. S. dollar is "cheap" by historical standards. Thus, the climate for investment in the U. S. is favorable to European companies. (See "Wall Street Journal", January 14, 1980, Page 6 for analyst's opinions of future currency changes, if any, in the near future.) App. 2

When the Japanese yen was in a similar favorable position in the not too distant past, the Japanese invested very heavily in fishery companies in the U. S., some analysts claiming they bought control of over 70% of the Alaskan fishing industry and a somewhat smaller percentage in Washington and Oregon.

Currently, Britain, West Germany, and Canada make the largest foreign investments in the U. S.

Other targeted companies have a very large investment in the U. S. now; Unilever in soaps, and Nestle of Switzerland (Crosse & Blackwell, Stouffer, etc.) and British American Tobacco, who own Gimbels and Saks in New York, and the Howard Johnson chain through an associated company. All three of them are organizations fully competent to mass market fishery products through existing trade connections. None of them have any apparent large investments in the Pacific Northwest and may wish to avail themselves of an early place in an industry due to increase in size rapidly in the very near future.

The key events are virtually self-evident from a monitoring angle and may well occur two or three times weekly in satisfying objective 1. or 2., and monthly for 1b.

The total fishery products consumption in the area covered by this study, annually is approximately \$2 billion, 20% of which is food "not for human consumption," i.e., animal feedstuffs. Of the \$1.6 billion left, 80% is sold in frozen prepared food forms in supermarkets and from other freezer outlets--hence, the emphasis on possible manufacturing of "value-enhanced foods."

PROJECT MANAGEMENT

Amend 6/30/80

The overseas or foreign content of the project will be subcontracted to Mr. J. R. S. Carter of 915 E. Boston, Seattle. Mr. Carter has had thirty years experience of international trade, both import and exporting to a total of over 30 countries. For five years he was employed to travel throughout eleven countries in Western Europe starting, promoting and consolidating the sales of fishery products from the United Kingdom and South Africa and it is on that practical experience that this proposal is based. Many of the companies he dealt with then are now in the top 100 companies of Europe and appear also in the lists of Appendix 3; e.g., Unilever (UK, Holland, Germany and Sweden) Gist-Brocades (Holland), which were two separate corporations, Nederland Gist and Spiritus Fabriek and Brocades-Stheeman, in those days. Mr. Carter speaks fluent French and German and can refurbish his knowledge of Scandinavian languages and Dutch, if necessary. Mr. Carter became a naturalized U. S. citizen in 1977.

The personal dissemination of information and advices to processors will be subcontracted to Mr. Roy C. Stevens, who was for many years with the National Marine Fisheries Service where he gained an unrivaled personal knowledge of the processing industries and fisheries of the Pacific Northwest. He will be employed half-time.

The project will presumably be administered by the Operations Division of NMFS in Seattle and information will be additionally disseminated by Departmental News Letters, Sea Grant Communications and Extension Services in Washington and Oregon, and by notices in the trade press such as Fishermen's News, as well as NMFS Pink Sheets and the Department of Commerce publication, Business America.

PROJECT EVALUATION

The progress of the project can be measured within one month of its inception by analyzing the value of the intelligence returned to the United States. It will also be susceptible of evaluation by analysis of sales made to overseas firms in due course and season, and by the number of serious inquiries, connections and visits made to this country by executives of companies intrigued enough to investigate the climate for, and opportunities offered by, joint ventures with U. S. company partners.

We do not feel that any project objective will be unattainable except by reason of the collapse of the international monetary system or a widespread war. In the event the monetary system collapses, the European co-investigator would be in place to initiate barter transactions, a method he used successfully in dealing with the Government of Mainland China in 1956.

PROJECT BENEFITS

The project benefits are manifold and self-evident and, particularly, satisfies the criteria enunciated in the Policy and Program statement of the Final Report of the Department of Commerce Task Force on Fisheries Development dated 23 May 1979, page 2, paragraphs 1, 3, 5, 6, and 8; page 3, paragraph 2 and 5; and all of page 4.

Add G.A.O. report 5/7/80

Specifically, through better information on the foreign market and creating trade opportunities, we shall increase and/or initiate sales to foreign countries and help reduce our overseas trade deficit by developing demand for under-utilized species generally.

By initiating joint venture arrangements we shall reduce the demands for U. S. capital in a tight money market and by an inflow of European capital further help balance our past trade imbalances. The resulting demand for services at coastal deep water ports will help our public investment in such port infrastructure needs as container cranes.

Another benefit will be that new plants, or expansion of older processing plants can apply state-of-the-art technology and present a modern, efficient industry applying the latest methods to fish preservation and processing and manufacture and utilize to the best degree the research which is being funded by NOAA and other government agencies such as E.D.A. in fishery production and full utilization and in aquaculture.

In view of the fact that successful use of the information provided to the fishing industry would lead to a substantial expansion of fishery harvesting effort and processing and manufacturing capacity, it is estimated that the shipbuilding, construction and fish processing machinery industries would benefit by an expenditure of capital of up to \$500 million in the first three years of expansion and a further \$200 million by 1985, plus creation of a substantial number of jobs in those industries with further ripple expansion of permanent employment in the industries servicing fish boats, from engines to nets, and such instruments as radar and depth and sonar machines.

A recent study of the effects of a successful fishery in Whatcom County and its economic impact on the local economy was published by Washington Sea Grant Program and is attached as Appendix 4, and its factual findings could reasonably be extrapolated to a more general "State" basis.

CONSULTATIONS

- A. This proposal is based on a pre-proposal circulated by Mr. J. R. S. Carter in May 1979. The pre-proposal was prepared in response to a discussion of fishing industry needs between Mr. Carter and Dr. Paul Anton, Deputy Director of the State of Washington Department of Commerce and Industry held in April 1979.
- B. The pre-proposal was circulated to forty-five people, organizations or companies for critical review and comments and the list of recipients is attached as Appendix 1 together with projected future involvement.
- C. We know of no person or organization who might oppose the project.

MINORITY ENTERPRISE BUSINESS PLAN

The State of Washington is committed to support minority business enterprises and will continue to do so as far as is possible with this proposal.

Furthermore, the effort put into promoting the applications for using chitin and chitosan and carogeenan will facilitate the initiation of support "cottage industries" where primary wash treatment of crab shells and other raw materials may be carried out in remote areas and on coastal Indian reservations. Likewise, on and off reservation Indian fishing and fish smoking will benefit from an ability to supply, as part of a consortia or as specialist producers, products for the export markets, e.g., kippered herring, smoked oysters from aquaculture, pickled herring (Nieuwe herring in Holland), and so forth, as well as harvesting, possibly from aquaculture, carogeenan for the food and pharmaceutical industries.

SUPPORTING DOCUMENTATION

In Appendix 7 we attach a report published by the Swedish Employer Confederation and reported in turn by Newsweek (World Business, page 61, dated October 22, 1979). It will be observed that the U. S. now has less costly labor than most European countries. From in-house knowledge it can also be said that the apparent cost advantages in France and England are more than offset by the lower production per worker in those countries. One U. S. worker outproduces a West German worker 1.25 times, a French worker 2 times and a British worker 3+ times. This hourly wage comparison, coupled with political stability and a low number of days lost to strikes vis a vis Europe and Canada, enhances the value of the United States as a safe haven for capital at this time.

In order to arrive at the figure of capital required to satisfy imminent industry needs, we estimate an early need for up to 24 combination fishery vessels such as the Marco 123 foot series capable of multiple use fishing, e.g., bottom fish trawling, crab fishing with built-in capacity of freezing in chilled sea water and brine refrigeration, etc. We estimate a per boat cost of \$10 million = \$240 million.

Shore-based processing capacity will need significant expansion and updating in all small ports servicing "in-shore" fishermen who return with 40 tons--100 tons per voyage; modestly estimated at \$50 million with refrigerated storage facilities.

Finally, to raise the industry levels to manufacture "enhanced-value" products such as breaded fish sticks ready packed for the retail market, and to ship and package other frozen products, will entail the erection of "food towns" at three or four coastal ports strategically located. Taking into account land acquisition, providing services to each one, catering, say, to five processors and two final product, value-enhanced, manufacturers, would cost an estimated \$70 million each = from \$210 million to \$280 million, for a grand total of \$500 million to be committed in the next one to three years. We estimate also that within the next five years more harvesting vessels will be a necessity adding a further \$250 million in due course, and more still if tenders are used to send fish to shore while the catch vessels remain on station.

APPENDICES

1. Circulation list for pre-proposal, April/May 1979
2. Foreign exchange value analyst's forecast for 1980, WSJ
3. List of targeted companies by country: United Kingdom
West Germany
France
Belgium and Holland
Denmark and Sweden
Switzerland and Austria
4. Fishery Impact on Whatcom Country economics, Granger. Sea Grant Program U.W.
5. Project costs in detail
6. International wage scales - Swedish Employer Confederation; Newsweek 10/22/79
7. Correspondence Aga Frigoscandia, July 1979.

TIME SCHEDULE - OVERSEAS CONSULTANT

Year 1

April 1, 1980		2 weeks U.S. preparation	
		1 week U.K. arranging office and telex terminals.	
		News story Fishermans International News. Arranging some appointments	
May	↑	1 week Sweden - 3 days Frig. Scandia plus local calls	
		1 week West Germany; company calls, especially Dr Oetker GMBH	} calls on target companies
		3 weeks U.K.	
June		4 weeks U.K. (inc. exhibition institute in Monte Carlo 2 days)	
July		4 weeks West Germany	
August		3 weeks Sweden and Denmark	
September		4 weeks France	
October		4 weeks France	
November		4 weeks West Germany (inc. two-day visit to Exhibition SIAL in Paris)	
December		4 weeks Belgium and Holland	
January		2 weeks Switzerland	
January/February		4 weeks U.K.	} Consolidation of earlier calls
February/March		3 weeks West Germany	
		3 weeks in France	
		3 weeks spare to be allotted as required for company calls	
		2 weeks U.S., Conference. Preparation of Report	

Year 2

Suggested Eastern Bloc countries, Mediterranean countries, follow-up on selected companies seen in 1980.

JAMES R. S. CARTER
INTERNATIONAL TRADE CONSULTANT
915 E. BOSTON, SEATTLE, WA 98102
PHONE (206) 329-3942

9 July 1980

Mr. Roger Shannon
Deputy Director
Port of Astoria
PO Box 569
Astoria, Oregon 97103

Dear Mr. Shannon:

First of all I want to thank you for the courtesy of your reception when I had the pleasure of calling at the Port offices last Tuesday.

When you've had the chance of reading our proposal I shall be pleased to get any improvements you can think of with a view to using them.

I wrote to AGA-Frigoscandia in Sweden yesterday and suggested they send you the same information package that we attached to our proposal. This will give you a clearer idea of land needs and possibly would let you suggest a port area most suitable for the overall purposes I have in mind, at, of course, the least capital investment possible.

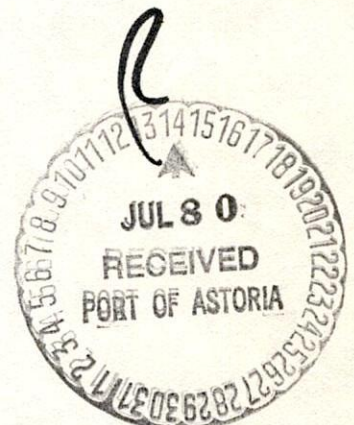
Thank you again for your interesting dissertation on the land you have available. Before we re-write our proposal I shall certainly be in close touch with you and, if there is anything I can do, or should do in the meantime, please let me know.

Yours sincerely,

JRS Carter

J. R. S. Carter

JC:mp



FRIGOSCANDIA

Since its foundation in 1950 Frigoscandia has grown into one of the world's leading service companies for the frozen food trade.

In many countries agriculture and fishing forms the basis of the economy. Frigoscandia is active in these sectors which concerns products like meat, poultry, dairy products, fish, vegetables and fruit.

The initial stages in reorganizing agricultural production are the acquisitions of farming equipment, seeds, fertilizers etc. Very soon the problems of preservation and storage have to be considered. Freezing, chill and cold storage offer the best solution.

Quick freezing is the preservation method with the greatest field of applications. It maintains the nutritive value of the product i.e its vitamin and protein content as well as flavour practically unchanged.

A chain of chill and cold stores is indispensable to prevent food wastage. Without sufficient and suitable storage space a considerable part of many crops is deemed to be lost.

Frigoscandia's activities are the following:

Cold Stores

Frigoscandia owns and operates 26 cold stores in Europe, Australia and South America. The total holding capacity amounts to 500,000 tons.

The principle when starting up a cold store or a chain of cold stores has been to offer the customers:

- Sufficient cold store capacity in production and consumption areas to meet peak demands
- Storage under optimum technical conditions - low weight loss and low deterioration rate
- Quick in- and outloading of products with careful handling
- Fast transport to and from the cold store
- A comprehensive package of auxiliary services (freezing, thawing, packaging, processing, import and export clearance, veterinary inspections etc.)

Frigoscandia is promoting the idea of large, rational cold stores which are serving a number of clients. As economy in cold storage is very much dependent on size both with regard to initial investment and operation costs most processors will benefit from using a larger cold store plant serving many clients instead of building his own cold store.

Many of the Frigoscandia cold stores have grown into food production centres - "Food Towns", with several processing companies located close to the cold store.

Temperature Controlled Transportation

In connection with the cold storage operation Frigoscandia is also carrying out large scale transport operations comprising domestic as well as international transports in Europe. Frigoscandia has developed rational distribution systems, which have contributed to an overall low distribution cost of frozen products. As Frigoscandia has built the transport organizations from scratch to integrated distribution systems, our transport experts have the ability to apply an appropriate system to each individual market.

Engineering

Frigoscandia's Technical Centre has designed and co-ordinated the building of all cold stores inside the Frigoscandia Group and also a number of external projects. The fact that Frigoscandia is also user of the cold stores built, has given the Technical Centre a unique feed-back, which no other engineering company in this field can match. Frigoscandia offers the services of its Technical Centre to organizations and enterprises, whose objectives are to develop modern, rational plants. The services of the Technical Centre consist of feasibility studies, detailed engineering, project management and site supervision during erection and commissioning.

Insulated building elements

Frigoscandia are manufacturing insulated building elements. The FRIGoPANEL system is specially designed for erection of chill and cold stores but also of high quality food processing plants. FRIGoPANELs are manufactured under licence in England, Brazil, Japan and within short in Spain too. The FRIGoPANEL system offers substantial advantages in form of time and cost saving initially and superior insulation standard throughout the lifetime of the building. In countries with an increasing demand for cold storage a licensed FRIGoPANEL factory is a logical step that should be considered at an early stage.

In-Line-Freezers

The method of freezing is important to the product quality. Frigoscandia has developed several types of unique In-Line food freezers which cover the need of freezing products with particle size from the smallest grains to big cartons as well as liquids. More than 900 freezers have been installed in leading food industries worldwide. It is of particular importance to exporters who are interested in developing trade with more sophisticated markets to adopt the latest in freezing technique.

Integrated know-how

The Frigoscandia concept covers all links in the cold chain from freezing of the product to final distribution. This has given Frigoscandia a unique fund of know-how that is continuously used in the development work. Frigoscandia has proven to be an ideal company to contact for governmental organizations and private investors whether the problem has been an overall planning discussion or a specific delivery of a piece of equipment.

AGA - our present company

From January 1st 1978, the Frigoscandia Group is owned by the Swedish company AGA, which is one of the largest gas companies in the world. Further information about the AGA Group can be obtained from the enclosed annual AGA report.

Facts and figures about Frigoscandia

To give some idea about the various Frigoscandia activities in "operative" figures the brochure "Facts and figures" can be found enclosed.

oo0oo

Datum/Date
80-08-13
Ert datum/Your date

Vår ref./Our ref.
LMn/BMF
Er ref./Your ref.

Mr. Roger Shannon
Deputy Director
Port of Astoria
P O Box 569
Astoria, Oregon 97103 USA

Dear Sir,

I have since a year been in close contact with Mr. James R.S Carter regarding his Pacific Northwest Fishery Projects and I know that you to some extent has been involved in the same projects.

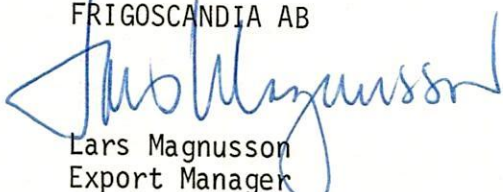
From Frigoscandia point of view we believe that there is a great potential in the whole concept and from our side we are very much interested to be deeper involved in the development of the projects.

We can see that there is a potential market for the build-up of some sort of "Fish Town" and we certainly hope that it is possible to raise a substantial interest from different producers and processors to join such a "Fish Town"-Concept.

I hope it would be possible for us to meet in a future when the investigation has started in order to see what could be developed in your port areas.

With kind regards,
Yours sincerely,

FRIGOSCANDIA AB


Lars Magnusson
Export Manager

**FRIGOSCANDIA AB****HEAD OFFICE**

Rusthållsgatan 21
Fack
S - 251 00 Helsingborg
Sweden

Telegram
FRIGOSCAND

Telephone
Nat. 042 - 14 40 20
Int. + 46 42 14 40 20

Telex
Head Office: 72265 FREEZE S
Technical Centre: 72261 FREEZE S

Mr. Shannon

MINUTES OF THE SEPTEMBER 18, 1980 MEETING
OF THE
CLATSOP ECONOMIC DEVELOPMENT COMMITTEE

A regular meeting of the Clatsop Economic Development Committee was held at the Crab Pot Restaurant in Warrenton on Thursday evening, September 18, 1980. The meeting was called to order by Chairman J. W. Forrester at 7:30 p.m.

Chairman Forrester announced Governor Atiyeh has extended the life of the Lower Columbia River Economic Development Taskforce for another year.

PRESENTATION ON COMMERCIAL FISHING INDUSTRY TO EDA OFFICIALS

Chairman Forrester recalled the annual report to EDA stresses the best opportunity for economic growth in Clatsop County is with the commercial fishing industry; and Tom Current's statements advising the Committee there would be a considerable amount of money available for investment in the commercial fishing industry in one of the following ports: Coos Bay, Newport, or Astoria. Chairman Forrester stated he asked a panel of seven to meet with Tom Current and Phyllis Lamphere to discuss why Astoria has more potential as a fishing port than either Coos Bay or Newport. He then introduced Dave Phillips who was in charge of organizing the presentation.

Mr. Phillips noted the participants decided the common goal of the presentation would be to develop adequate moorage at the East and West End Mooring Basins which have the potential to accommodate 700 large commercial fishing vessels.

He briefly summarized the reports made to the EDA officials which included: Harry Utti discussing existing moorage facilities, improvements which have been made to the facilities, plans to expand moorage, and the status of the Corps of Engineers' work; Jim Bergeron describing the abundance of the underutilized species off the Northern Oregon Coast and the patterns of Russian and other foreign fishing fleets; Duncan Law explaining the pilot plant's total usage of hake in the manufacture of a fish protein concentrate and its potential to furnish cheap protein to the Third World nations; Ted Bugas pointing out the lower Columbia River's processing capacity, its potential for expansion, and the possibility for a small efficient tuna processing operation to can albacore tuna; and Dennis Lodge talking about the types of information he will include in courses for working fishing vessel captains at Clatsop Community College. Mr. Phillips said in his part of the presentation he emphasized Clatsop Community College offers the strongest training program for entry-level positions in the fishing fleet on the West Coast and the college has been recommended as the West Coast site for a commercial fishing institute.

Mr. Phillips read the following list of advantages which Astoria has as a fishing port: (1) raw resources readily available off the mouth of the

Columbia River; (2) processing capability and capacity unequalled by other ports; (3) land base necessary for the expansion of processing readily available; (4) good deepwater port facilities available for shipping fish products worldwide; (5) three major ship repair yards located in this area; (6) ample storage space for fishing gear; (7) capability of making large quantities of ice; (8) greatest capability (over 700 boats) for mooring a commercial fishing fleet; (9) leads all other ports in the area of estuary studies with studies nearing completion and uses of the estuary designated; (10) land use planning quite complete for this region; (11) environmental pollution from processing less of a concern here than at other ports because of large quantity of water flowing through our estuary; (12) U.S. Coast Guard facilities provide the commercial fishing fleet with an additional safety factor; (13) OSU's creative seafood technology lab in Astoria which works closely with the processing industry; (14) a unique post-secondary education structure for both preparing individuals as deckhands and upgrading the skills of captains; and (15) Clatsop Community College has been recommended as the West Coast Commercial Fishing Academy.

Mr. Phillips added that Mr. Current and Mrs. Lamphere were impressed with the presentation and he looks for EDA to make a decision on where development of the fishing industry should be in about 12 to 14 months.

Bill McGregor and Tom Stapleton wondered what role politics would play in determining the location of the investment. Chairman Forrester felt the reports show Astoria is the port to receive and process the resource and the manufacturing of fish protein concentrate is an important consideration. If a major manufacturing plant were set up here to make fish protein concentrate, Mexico alone could take all the hake available within the 200-mile limit. He mentioned Duncan Law was attending a conference on fish protein concentrate in Washington, D.C.

Chairman Forrester thanked Mr. Phillips for the excellent job he did in putting together the presentation.

EDUCATION FOR FISH BOAT CAPTAINS AT CLATSOP COMMUNITY COLLEGE

Mr. Phillips introduced Dennis Lodge, a former senior instructor with England's White Fish Authority and now Director of Clatsop Community College's Fisherman's Training Program. Mr. Lodge will be offering training in trawling techniques to approximately 100 commercial fishing boat captains a year.

Aided by slides and a short film, "Trawling in Minature", Mr. Lodge spoke to Committee members about the history of trawling, the training facilities available in England including the flume tank used to test the performance of trawl nets, and how the latest electronic equipment can assist fishermen.

Mr. Lodge commented West Coast fishermen are behind the rest of the world and the College's program is directed at updating the fishermen's fishing techniques so they can compete with the foreign fleets.

According to Mr. Lodge, many American captains have purchased the expensive electronic equipment which can be both labor saving and fuel saving; but they are not getting the full benefits from the equipment. Equipment is available which can tell a fisherman where the fish are located up to two miles from his vessel, if his net is empty or full, and the density of the shoal of fish. Manufacturers have loaned or donated over \$150,000 worth of equipment to the college so the captains can be trained in interpreting information furnished by the electronic gear. Captains taking Mr. Lodge's classes will also be able to take advantage of test information gathered from experiments conducted in the flume tank.

Chairman Forrester thanked Mr. Lodge for his informative and excellent presentation.

Subcommittee reports followed.

Forestry-Agriculture. Chairman Slim Schrager headed a delegation which appeared before the County Board of Commissioners to request 30 acres at the Clatsop Community College Farm be set aside for use as a land lab in conjunction with the proposed logging technology program. The Commissioners asked for six weeks to study the proposal and will be meeting with the delegation next week. Mr. Schrager felt the Commissioners are looking at revenue producing uses for county timber lands. This would not develop a great deal of revenue, but the county would not be losing on this type of an arrangement either. He asked anyone who has the chance to put in a good word for the proposal with the Commissioners.

John Holmstedt distributed copies of the curriculum developed by the advisory committee and a budget outline for the program. He explained the curriculum still must be approved by the college's curriculum committee and the State Department of Education. The college has received a \$30,000 federal grant to develop the program. Mr. Holmstedt pointed out that the 30 acres would be used for approximately a five-year period as a model-type forest with both the forestry technology and logging technology programs using the land.

Tourism. Chairman Patsy Conner promised to have a sample Clatsop County brochure ready for the next meeting. She anticipates the brochure will be ready for distribution in February. Monte Montgomery added the subcommittee has approached fund raising, but needs a sample brochure available before going any further. Mr. Montgomery remarked he will be discussing Seaside's plan to bring 50 media people to Clatsop County with Mrs. Conner. Mrs. Conner praised Emmet Pierce's coverage of the tourism industry in The Daily Astorian.

Project Six. During the summer, Chairman Tom Stapleton contacted seven local machine shop owners regarding doing subcontract work for Boeing.

Doug Luna of Boeing offered to take the shops as a group and process them as a unit. Only Barbey Packing submitted a supplier profile and Boeing indicated it was not expanding its supplier base in the areas described by Barbey. Mr. Stapleton commented that the shop owners had expressed to him their reluctance to become involved in the bureaucracy as well as have their shops subject to outside inspection. Mr. Luna also notified the subcommittee about a \$2 million contract to supply lumber. Warrenton Lumber was contacted, but their Portland office decided not to participate in the bidding because of a guarantee-of-price requirement and they could not supply some of the lumber. Mr. Stapleton felt the Committee had a friend in Mr. Luna.

Mr. Stapleton reported several members of the subcommittee had the opportunity to talk with Larry O'Rourke, a member of the Governor's Lower Columbia River Economic Development Taskforce. Mr. O'Rourke pointed out Astoria should be thought of in a different perspective. For instance, Astoria is 24 hours from the Los Angeles-Southern California market of 20 million people. It was Mr. Stapleton's opinion that industrial development is contingent on an organized effort and he is pleased that Roger Shannon will be available to call on prospective clients.

Mr. Stapleton discussed the meeting he and several others had with Don Fox regarding a composting process which utilizes fish waste and sawdust to make a soil conditioner. Mr. Stapleton pointed out that during the meeting Duncan Law cautioned an adequate supply of fish waste may not be available for such a process. Mr. Fox assured the group all he needs are the shrimp and crab shells. Mr. Fox is requesting a federal grant to begin a composting operation in Clatsop County. The group endorsed his proposal.

Port and Transportation. Chairman James Platt attended the Astoria Area Chamber of Commerce-sponsored meeting on the upgrading and re-routing of Highway 30. He said the chamber will be spearheading a drive seeking upgrading of Highway 30 and will be asking the full Committee for its support.

Bylaws. Chairman Betty Korpela has scheduled a subcommittee meeting to work on revisions to the bylaws for September 29 at 3:30 p.m. in the Economic Development Committee's Office.

Fisheries. In Duncan Law's absence, Tom Clune gave the report on the fisheries project. Mr. Clune said that in less than three weeks of this year's Youngs Bay fall fishing season, three times the number of fall chinook caught during last year's season have been landed. Last year's catch was a record. He attributed this year's landings to the Committee's fish rearing efforts.

Staff members have been assisting students in Eldon Korpela's Astoria and Warrenton high school fish rearing classes take eggs from the salmon which

are returning from earlier fisheries project releases. In addition, staff members are working under contract assignments to other fisheries agencies.

Work on the third rearing pond is now 75 to 80 percent complete and Mr. Clune felt there is a good chance Governor Atiyeh will come to Astoria when the work is completed in six to eight weeks.

Mr. Clune mentioned the members of the Legislative Interim Committee on Fisheries met in Astoria last week and were impressed with the amount of community support such as Crown Zellerbach's (Wauna Division) donation of \$8,000 worth of pipe for use in construction of the third rearing pond, the city of Gearhart's contribution of a surplus vehicle and generator, and the \$26,500 received from the Port of Astoria to serve as matching funds for the fisheries project's legislative appropriation as well as make the project eligible for other grants which the project has received. This summer's salmon barbecue which was held in conjunction with the Astoria Regatta was not as lucrative as last year, but still netted approximately \$1,000.

OPEN DISCUSSION

Dave Corkill introduced Craig Heitmann and Chairman Forrester introduced Don Morden.

Woody Willson asked permission to hand out information on Ballot Measure No. 5 following the meeting.

NEXT MEETING

The next regular meeting of the Clatsop Economic Development Committee will be held on Thursday, October 16, 1980.

The meeting was adjourned.

Respectfully submitted,

Margaret Forbes
Margaret Forbes

Page 6
Clatsop Economic Development Committee
Minutes - September 18, 1980

ATTENDING THE MEETING WERE:

James D. Platt
Betty Platt
David Corkill
Tom Baker
Patsy Conner
Mark McCollum
Donald McCoy
Dorothy McCoy
Charles Dymond
Maxine Dymond
Palmer Henningsen
Ted Bugas
Pat Bugas
Woody Willson
J. W. Forrester
M. H. "Slim" Schrager
Betty Korpela
Eldon Korpela
Dorothy Chave
Royal Kurle
Bette Kurle
Charlene Larsen
Pam Wenrick
Chris Wenrick
W. B. "Monte" Montgomery
William F. McGregor, Jr.
Tom Stapleton
Craig Heitmann
Bruce Conner
Don Morden
Dave Phillips
Dennis Lodge
Dick Pearson
Gene Jaques
John Holmstedt
Tom Clune
Mike DeLapa
Chris Genna

THE DAILY ASTORIAN

An Independent Newspaper

THE DAILY ASTORIAN, Astoria, Oregon, Monday, September 29, 1980

A good story well told

Representatives of the federal Economic Development Administration were here the other day to check out Astoria's potential as a commercial fishing port. They were favorably impressed with what they heard.

This is an exercise the federal government is undertaking on the Atlantic, Gulf and Pacific coasts. The commercial fishing industry is in trouble everywhere and the government is searching for both short and long range solutions.

When Congress created the 200-mile resource management zone two years ago, everyone involved knew that it probably would, in the beginning, produce more problems than solutions and that's the way it has been.

Almost everyone involved agrees that the time will come when harvesting, processing and marketing of the total resource within the 200 mile zone will fall into place and when it does the financial rewards for all will be substantial. But there must be much adjusting before that condition can exist.

In the meantime efforts are going forward to prepare for the changes which must come about. EDA representatives were much impressed with what citizens of

this community are doing to help themselves. They were pleased with the solid evidence that there's a determined effort to prepare for better days.

They heard of plans to improve and expand the East and West mooring basins. Of the programs at Clatsop Community College which will bring captains of fishing boats here to learn the technology that will improve their fishing methods. Of the pilot plant at which fish protein concentrate prepared from hake, a venture in which the government of Mexico and Oregon State University are involved. And they learned of the processing capacity of existing plants and of the availability of fishing stocks off the northern Oregon coast.

The federal government, through the Economic Development Administration, has made a commitment to assist the commercial fishing industry in adjusting to using the total fishery resource within the 200-mile zone. EDA is taking an inventory of resources in all of the ports where fishing vessels moor and fish is processed.

We say with confidence that no port on the Oregon coast will be given higher grades than Astoria. Astoria's case was ably presented to representatives of EDA. It's a good story and they told it well.



THE PORT OF ASTORIA

At the entrance to the mighty Columbia River

P. O. BOX 569 ASTORIA, OREGON 97103 PHONE (503)325-4521

COMMISSIONERS:

HENRY C. DESLER, PRESIDENT
DAVID D. CORKILL, VICE-PRESIDENT
HOWARD B. JOHNSON, SECRETARY
FRED C. SHAYLOR, TREASURER
CHARLES J. THOMPSON, ASST. TREASURER
GEORGE R. GROVE, EXECUTIVE DIRECTOR

October 13, 1980

Mr. James R.S. Carter
International Trade Consultant
915 East Boston
Seattle, Washington 98102

Dear Mr. Carter:

My sincere apologies for not replying to your July letter sooner, but I felt that I could present a more detailed picture of the developmental goals for this area as a result of some recent events.

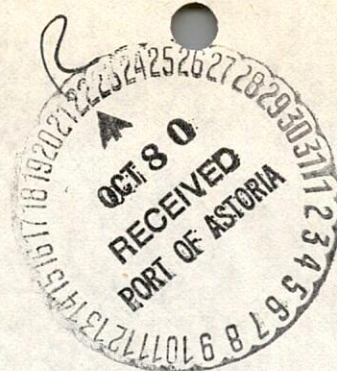
In early September, the Clatsop County Economic Development Committee coordinated a presentation to Mrs. Phyllis Lamphere and Mr. Tom Current of the U.S. Economic Development Administration. This will be the first in a series of presentations which the Clatsop Economic Development Committee and the Port of Astoria will be giving to the E.D.A. for their review. We are very optimistic that we will be the primary recipient for a large E.D.A. grant which will be earmarked to one port in the Northwest for fisheries development. I have enclosed an article from the Daily Astorian which explains more fully our presentation, and the advantages for fishery related development in this area.

Since talking with you Thursday, I have invited Mr. Harry Utti, Manager of Engineering Services at the Port of Astoria, to join me on my October 15th trip to Seattle. I expect that we would fly in lieu of drive, if the weather is favorable, and will call you at approximately 1:00 p.m. from Boeing Field. I would like to invite you, and the gentleman you wished for me to meet, to lunch at Boeing Field. In any event, I will call you upon my arrival in the Seattle area. I look forward to meeting with you again, and hearing an update on your exciting plans.

Respectfully,

Roger Shannon
Deputy Director

RS:sd
Enclosure



ITT GA 85472265"+
FRIGOSCAN RDMD

10 19 1044
72265 FREEZE S
GA

80.10.17

ATTN: LARS MAGNUSSON

MY APOLOGIES FOR NOT COMMUNICATING WITH YOU SOONER. THE PORT OF ASTORIA IS VERY INTERESTED IN DISCUSSING YOUR FISH TOWN CONCEPT FURTHER, AND HOPEFULLY THREE REPRESENTATIVES FROM THE PORT WILL BE ABLE TO CONTACT YOU DURING THEIR VISIT TO EUROPE. MR. HENRY DESLER, PRESIDENT OF PORT OF ASTORIA COMMISSION; FRED SHAYLOR, PORT COMMISSIONER; GEORGE GROVE, PORT DIRECTOR WILL BE VISITING ROTTERDAM, ANTWERP AND HAMBURG BETWEEN OCTOBER 24 AND OCTOBER 31. THEIR SCHEDULE IS FLEXIBLE, AND THEY WILL ATTEMPT TO TELEPHONE YOU WHILE IN EUROPE IN HOPES OF MEETING YOU AND POSSIBLY VISITING HELSINGBORG OR ANOTHER COLD STORE FACILITY. HOPEFULLY, YOU CAN GET IN TOUCH. IF NOT, WE LOOK FORWARD TO VISITING IN PORTLAND ON NOVEMBER 5.

BEST REGARDS,

ROGER SHANNON
DEPUTY DIRECTOR, PORT OF ASTORIA
TLX 328784

*

72265 FREEZE S.....
1047EDT 002.60

JAMES R. S. CARTER
INTERNATIONAL TRADE CONSULTANT
915 E. BOSTON, SEATTLE, WA 98102
PHONE (206) 329-3942

20 October 1980

Mr. David Lutjen
International Trade Specialist
Oregon State Department of
Economic Development
921 SW Washington
Portland, OR 97205

↗ [9 + 10th | WASHINGTON]

Dear Mr. Lutjen:

You may recollect from our talk on 12 September 1980 that one of my potential sources for matching funds was a foreign corporation called AGA-Frigoscandia.

In the event, I asked Mr. Lars Magnusson, their manager for foreign markets, for a grant or subsidy of \$20,000 in cash, to be paid to whatever government entity will control the project; EDA or NMFS.

He is coming over to, (inter alia), talk with me about this on 4 and 5 November next. I would very much like to expose him to the Oregon State management team for the project and would ask if it is possible to call on you any time after about 11 A.M. on 5 November next.

If this is good for you I would be much indebted if you would in turn invite

Professor Frederick J. Smith
Agriculture & Resource Development
Extension Hall
Oregon State University
Corvallis, OR 97331

who, as you know, is co-manager.

There is a possibility only, that because of a time wastage factor in writing for S-K funds, some four to six months, that the project will be presented to EDA with a request for a decision on

Mr. David Lutjen
October 20, 1980
Page Two

funding within two months. I have reason to believe this may
fit in with a potential project they have in your state.

Kind regards.

Yours sincerely,

JRS Carter
J.R.S. Carter

JC:mp

cc: Professor F. J. Smith, Oregon State University
Roger Shannon, Port of Astoria

P.S. The EDA idea was impracticable
Jase

2nd DRAFT OF THE INTRODUCTION AND RATIONALE OF A PROPOSAL FOR AN APPLIED STUDY FOR THE MARKETING AND DEVELOPMENT OF THE FOOD PRODUCTS BASED ON THE FISHERIES OF THE PACIFIC NORTH WEST.

October, 1980.

Page 1.

INTRODUCTION.

This formal proposal for the future development of the fisheries of the PACIFIC NORTH WEST REGION is the distillation of a pre-proposal submitted by Mr. J.R.S. Carter to the addressees listed in App.1 in early May, 1979, and of a formal proposal submitted to NMFS on Feb 7th, 1980 by Mr. Roy C. Stevens and Mr Carter, which submission failed for lack of matching funds.

That inhibition, which had relied on one sole source, has been removed in this revised edition, for funds to a total of \$ have been raised from a very wide spectrum of support encompassing commercial fishermen, processors, port authorities, air lines, economic development councils, infra-structure entities, as well as some international authorities in such areas as coastal zone management and in trading with Eastern Bloc countries.

All these sources are listed in App. 2.

In addition we have received a corporate grant of \$ which will, in the main be used to organize and promote sponsorship overseas for an E.E.C. Trade Mission to visit the Pacific North West in October or November, 1981, for a seminar on marketing and manufacture of frozen foods made , or to be made, in the PNW.. Any income from this effort will be applied to the costs of continuing this proposal through 1982.

The domestic structure of the overall proposal has also been strengthened and revised, and man and brain power more than quadrupled at no extra cost to Federal funding. The administration, sponsorship and bi-monthly reporting to NMFS will now be undertaken by and the dissemination of market information is enhanced by the accession to the program of the Agriculture and Resource Dept. of Oregon State University . The Oregon State Dept. of Economic Development will now provide follow up to the various interested parties discovered by the study, especially the harbor authorities in Oregon who are showing intense interest in the proposal, as well as to the local fish processors, other local development councils, equipment manufacturers, financial institutions, and so on.

We continue to satisfy the various criteria enunciated in the Policy and Program Statement of the Final Report of the Dept. of Commerce Task Force on Fisheries Development dated May 23rd, 1979.

This proposal also provides solutions for six major facets laid out in the Report of the Comptroller General of the United States, General Accounting Office, dated May 7th, 1980, and entitled "Developing Markets for Fish not traditionally harvested by the United States"..

This report states, inter alia, that
1. Marketing is the key to success

2. Lack of information inhibits U.S. producers.
3. The Regional approach is best.
4. High risk financing is hard to get.
5. Substantial shore side investment is required
6. Foreign investment is a source with positive effects.

All these inhibitions were recognized and answered in our proposal of Feb. 1980, and solutions which were proposed then remain valid today, and are unchanged in this edition, except that our domestic efforts are immeasurably enhanced.

Implementation of this proposal will lead to a successful development of a regional fishery industry based on a renewable resource estimated at 1.5 million tonnes per annum. (Page 1, Profile of the U.S. fishing industry, Final Report of the Task Force on Fisheries Development, May, 1980).

RATIONALE.

Reviewers will note throughout the proposal continued emphasis on the ultimate goal of manufacture of "Value enhanced" products for the frozen food market, not only of fish and fishery by-products, but of all other food products for which the raw materials exist in this Region. Successful exploitation of this project mandates vertical (Or forward) integration preferably with up to 50% foreign capital from Europe, and also the integral know how and built-in end markets that come with the acquisition of such investments.

The two obvious markets for our harvested fish are, in order, Fresh and Frozen fish. Once fresh fish has entered the marketing chain of local distributors that is virtually the end of opportunities for expanding employment in the region by exploitation of the sale. The articles at App. 3 explain the pricing policies extant there so far as fresh fish retailers (*in Europe) are concerned, and are probably paralleled here in the U.S..

We have deliberately de-emphasised the role we can, and will, play as opportunity offers, in the development of the retail fish market and industry, e.g. by emphasis of cryovac packed fillets, and the use of atmosphere controlled transportation here and overseas.

There are several reasons for this de-emphasis in the U.S.. The Economic Development Council of Puget Sound has been funded by NMFS to stimulate markets for fresh bottom fish, and they have several teams covering the areas from California to N. Washington State in which it is said they are co-operating with harvesters, retailers and some processors, and we would not wish to duplicate their efforts unnecessarily. (~~It is our policy to support the efforts of the EDC in this regard, and to avoid duplication of efforts.~~)

Nevertheless we are greatly interested in the promotion of domestic sales of fresh fish, and through the good offices of Prof. Frederick J. Smith of the Dept. of Agriculture and Resource Development, Oregon State Univ. we are in a good position to take advantage of the latest information. Prof. Smith is working very closely with the Pacific Coast Fishermen's Wives Coalition. This is an umbrella organization coalescing the efforts of the various fishermen's wives associations covering the Pacific Coast

from San Diego in the south to Seattle in the north. Thus we shall have a very lively cross fertilisation of ideas and of the coastal efforts in fishery marketing developments at the store or fishmonger level.

Some of those efforts now in train, and funded by NMFS are:-

An extensive program to educate meat market managers in the proper purchase, handling and display of sea foods, and

Sea food merchandising project training programs for members who will in turn train meat managers into promoters of sea foods.

Their experiences and results, and those submitted from overseas, will help guide and channel our mutual efforts in supermarket approaches and sales.

Over the last ten years both Messrs Carter and Stevens have singly and severally, had experience in the promotion of fresh fish.

Whilst serving with NMFS Mr Stevens took part in test market efforts to promote the sales of fresh fish in Boise, Idaho, supermarkets.

Both Mr Stevens and Mr Carter were involved in a co-operative effort between the Puget Sound Gillnetters Wives Association, the Washington Sea Grant Program and the NMFS. In both applied studies it was demonstrated that fresh fish sales could be stimulated to a degree, but that continuing follow up was required to ensure further successes, and /or continued success.

Now we must deal with a paradox.

This proposal rests to a large degree on the demonstrable belief that to harvest and process up to 1.5 million tonnes annually of bottomfish will require virtually a new industry and infra-structure in parallel with the industry currently exploiting salmon, tuna, halibut and various species of shellfish, the components of that industry currently being under investigation by Grand Juries in Alaska and Washington States.

It has always been axiomatic in both commercial and military circles that to invade or attack another country or an overseas market that operations must be conducted from a firm base. The only firm base that we have in the Pacific North West for the overseas sale of bottomfish, together with expanded domestic sales, is the fish in the sea off our coasts. Therefore it follows that we must first examine the European and other new markets to discover their needs, examine their market structures and from their developmental experience over the last twenty five years draw the analogy of the probable future pattern of development there, and, by extension, the parallel developments here at home, especially for the wider upgrading of the products to be offered.

No part of Europe is more than 150 miles from a fish landing port, except for a small strip or corridor running from Stuttgart in West Germany through Bayreuth to Prague, Czechoslovakia. Furthermore no part of the United Kingdom is more than 70 miles from a fish landing port. Thus within those areas there live about 255 million people enjoying a standard of living very comparable to the people of the United States, but in a much more confined area, and served by a highly sophisticated road, rail and air transportation system.

If the same 150 mile limit is applied to the United States fish landing ports, (Excluding the Great Lakes and other inland waters which produce only 2.1% of domestic landings ¹) the equivalent population coverage is reduced drastically to something less than 190 million people, many of them in small towns remote from big population centers, and virtually without rail communications.

What has occurred in Europe over the last twenty five years is typified by British results. Then there were over 10,000 fresh fishmongers, now there are about 2,000. Then Mac Fisheries, a Unilever subsidiary, had four hundred company owned trawlers and over 400 stores selling the fresh fish caught by those trawlers, and delivered to the stores within twenty four hours of harvesting. Today Unilever have no trawlers and less than fifty stores with closings of those being announced almost on a regular schedule. Twenty five yaers ago Billingsgate, the London wholesale fish market, moved thousands of tons of fish ~~weekly~~ throughout the Continent every week. Today the handle there is less than 250 tons daily.² And that was the largest fish market in Europe.

These precipitous falls co-incided with a rise in the standard of living to something in line with the United States, with its concomitant use of freezers and refrigerators, and even more importantly, the socio-economic effect of the working wife and single parent families. The impact of all these social and demographic changes from pre-war Britain leading to the development of supermarkets in the American style so changed the fabric of Britain and its eating habits than sales of frozen fish are now five times the sales of fresh fish, and the fast food fish & chip market is now in excess of \$700 million annually.³

There is but one conclusion to be drawn from these apparently ir-reversible figures, that our fish harvests can only be sold in Europe, an overall market in excess of two billion dollars, in really significant quantities by entering the frozen food chain of supply at its base.

And on a rational projection of thought and planning (With the need to maximise employment, profit, and return on capital invested in plants and in public works such as ports) only on products manufactured for point of sale in supermarkets, institutional outlets and fast food emporiums can such a new PNW industry supplying both the Old World and the New, be founded and perpetuated.

The Fisheries Task Force Report identifies risk as an instiutional impediment to fishery development. That is also true of the agricultural industry. Both industries have their annual cycles, growing, harvesting, marketing, etc.. Some years ocean temperatures will vary a degree or two from the norm and shoals of fish will not appear in their usual and accustomed areas, and some years fishermen will find it more profitable to pursue a different species from the one they sought the previous year.

So, as in agriculture where drought or disease may affect the harvest the focus of production may well change.

1. Marketing Alternatives for Fishermen. Page 3. Texas A&M Sea Grant Program May 1980.
2. London Sunday Times Seafood article, Page 57, 14 Sept. 1980. App. 5.
3. " " " Frozen Food Article, 14 Sept. 1980 App 6..

In a paper "Intersectorial distribution of risk; an impediment to fishery development", Frederick J. Smith, Professor and Marine Economist, Oregon State University says " It is argues here that it is the unequal division of risk between the harvest sector and the processing/marketing sectors and not the mere existence of risk that impedes fishery development". After discussing the sources and role of risk, Prof Smith goes on to say that "One function of the market mechanism is to re-distribute risk between the buyer and the seller so that (It) can be mutually advantageous. However Prof, Smith points out that marketing mechanisms have not evolved normally in the seafood industry. He goes on to discuss barriers to vertical integration, and points out that that formation of processing and marketing chains by fishermen has transferred the risks up the marketing chain, but that such arrangements have not solved their problems. As possible solution he suggests that creating contracts and vertical integration could reduce the risk up the processing/marketing sector and increase the risk in the harvesting sector, but that the economic gain in the first sector is likely to be more than the loss in the harvesting sector, "Resulting in overall gain".

In a paper "Coping with the economic crisis in agriculture" the Texas Agricultural Experimental Station of Texas A&M University, Staff Paper, Series 3, 1980, says, "Markets are always involved in economic crisis" and "A better understanding of markets and market strategy can aid to adjusting to crises more quickly". They point out that orderly marketing can spread risk, and in connection with orderly marketing we can observe that fish can be more readily stored in the sea than can wheat be stored in silos or on the ground without deterioration.

The same paper points out that "Integration and diversification can spread risk in the long run" and "Some producers can integrate forward by moving into marketing stages such as performing more of the transportation function, wholesaling and retailing some of their (produce)"

It is the contention of this proposal that by joint venture vertical integration from the fish harvests to point of sale in overseas markets and parallel domestic markets the high risk factors can be minimised and spread over a population of some 520 million people in two continents, and that by joint ventures with European manufacturers who are already vertically integrated we can automatically acquire markets which will provide a firm base for operations which we suggested earlier is a pre-requisite for successful penetrations on a diversified basis, both for the fishery and the agricultural components that we aim to develop in tandem.

Thus, this proposal provides a significant mutually complementary, and also synergistically strengthened basis for a new frozen food industry in the Pacific North West, and as a result , much future permanent employment.

JAMES R. S. CARTER
INTERNATIONAL TRADE CONSULTANT
915 E. BOSTON, SEATTLE, WA 98102
PHONE (206) 329-3942

November 10, 1980

Mr. Leonard Kunzman
Director of Agriculture
State of Oregon
635 Capitol Street NE
Salem, Oregon 93310

Dear Mr. Kunzman:

The enclosed proposal and other materials relating to fisheries development and marketing are sent to you at the request of Mr. Larry Warner of your department whom I met at a convocation in Portland on Wednesday, 5 November 1980.

Also present at that meeting were:

Professor Frederick J. Smith, Agriculture & Resource
Department, Oregon State University
Mr. Basil Edmonds, Regional Manager, State Department of
Economic Development
Mr. John Nemecek, International Trade Division, State
Department of Economic Development
Mr. Roger Shannon, Deputy Director, Port of Astoria

Unavoidably absent as my guest was Mr. L. Magnusson of AGA Frigoscandia, Sweden, who are putting up \$20,000 in matching funds to support the proposal currently being up-dated.

To provide you with perspective, perhaps a little history is in order.

The formal proposal dated 8 February 1980 was a distillation of a pre-proposal circulated to various agencies and interested entities in April 1979, and was designed to attract Saltenstall-Kennedy funds from NMFS. Two days before deadline for submission, Washington State found itself unable to provide indicated matching funds. Consequently, in forty-eight hours the whole proposal was re-written and submitted with a request for waiver of matching funds. In the upshot, the proposal was rejected for lack of them and we were instructed to re-apply at the next opportunity with suitable support.

Mr. Leonard Kunzman
November 10, 1980
Page 2

Our quest for support has been very fruitful, especially in the State of Oregon, as you will see from the attached "subject to final confirmation" listings. However, the need to raise support funds led to another even more valuable improvement in that the domestic (U.S.) effort has been vastly improved in administrative areas and in having the cooperation of Oregon State University for the dissemination of information of all kinds -- market opportunities, foreign and domestic, and their knowledge of the industries involved, and particularly the opinion makers therein.

In September last we asked Mr. D. Lutjen of the Oregon State Department of Economic Development to be the lead administrative unit for submission of the updated and improved proposal.

At the Portland meeting I learned two significant new facts, that the Department of Agriculture is now responsible for the marketing of all fish harvests from Oregon State and that Governor Atiyeh has directed that such efforts be rated as a priority.

Since NMFS will not be calling for new SK proposals in the immediate future under their regime, actual future operations under my proposal could not begin before April 1981 at the earliest, which would mean a whole year's harvest "lost" and also that the proposed EEC Trade Mission could not be mounted by September next.

However, in view of Governor Atiyeh's marketing directive, and with regard to NMFS delays, it may be you would consent to accept this proposal and, with State of Oregon funding, implement it as an Oregon initiative. It would be a simple task to re-write the proposal so it applies specifically to Oregon State and the GAO regional concept would be fulfilled by inevitable "spill-over" to fishermen based in Eureka and Grays Harbor.

Such a proposal would retain the matching funds listed, especially the air freight services to Europe, and the distribution services there currently provided for. Likewise, the effort for mounting a European Trade Mission would be retained and concentrated into Oregon State. I would also suggest retaining the advisory services of Dr's Hershman and Kaczynski, who are experts in their fields. AGA Frigoscandia's support would not be affected but their efforts again would be confined to Oregon State.

Mr. Leonard Kunzman
November 10, 1980
Page 3

Furthermore, since a Washington State manager would no longer be required, the cash cost support required would fall from \$169,000 to about \$115,000, with matching funds from other than state resources being around \$57,000.

In the event that this approach appeals to you more than administering a possible NMFS funding sometime next year, it would be a simple and quick matter for me to rewrite and reorient the proposal to fulfill Oregonian needs in a cogent way.

Equally at short notice, say two or three days, I would be pleased to attend on you at your office to discuss the matter further with you and any other agency's representatives such as we had at the Portland meeting. Subject to the exigencies and provision of State funding, I believe this "action" oriented proposal could be started on 2 January 1981.

Perhaps you could favor me with your views of this alternative, (but from Oregon's point of view, more effective), approach.

The foreign targets and two-year time frame would remain the same, but administration would be vastly simplified and more effective in resolution. A January start would also allow a trade mission to arrive in good September weather. Both Prof. Smith and Mr. Larry Warner have some ideas about the local organization for such a mission; and, in this connection, I am now suggesting that Aga-Frigoscandia sub-divide their \$20,000 matching funds as follows:

- \$7,500 cash to State agency for U.S. planning seed money;
- \$7,500 services in organizing the European end of the mission;
- \$5,000 services in distribution of U.S. fishery samples in Europe.

British Airways has told us that they will make special block rate travel seats available to European industrialists and their wives coming here on such a business visit. We have reason to believe S.A.S. will follow suit, both in return for promotional considerations as in the case of the free air freight to Europe.

Apart from the mass of background information which leads me to believe this will be an effective and valuable proposal in the last few days I have learned that many European companies are now getting very concerned about securing continuity of raw

Mr. Leonard Kunzman
November 10, 1980
Page 4

material both in fishery and agricultural products. Since two Spanish companies were specifically mentioned, they will be added to our list of target companies.

In summary, I would say that this proposal will lead to the establishment of a frozen food industry in Oregon, using both fishery and agricultural products and locally-made processing machinery. I look forward to your comments and repeat I would be pleased to call on you in Salem at your convenience.

Yours faithfully,

J.R.S. Carter

JC:mp

Enclosure

cc: Professor F. J. Smith, Oregon State University
Mr. Larry Warner, Oregon State Department of Agriculture
Mr. Basil Edmonds, Oregon State Department of Economic Dev.
Mr. John Nemecek, Oregon State Department of Economic Dev.
Mr. Roger Shannon, Deputy Director, Port of Astoria

MC

PORT OF ASTORIA
INTER-OFFICE COMMUNICATION

TO _____ FILE _____ DATE _____ NOVEMBER 10, 1980

FROM _____ ROGER SHANNON _____

SUBJECT _____ MEETING WITH MR. JAMES R.S. CARTER AT DED OFFICES IN PORTLAND _____

On November 5, 1980 I met with the following people in the Department of Economic Development offices in Portland to discuss a marketing and cold storage facility concept for shipment of fish, fruit and other products to the European market:

John Nemecek - D.E.D.
Basel Edmonds - D.E.D.
Professor Fred Smith - O.S.U.
Mr. Wally _____ - Dept. of Agriculture
Mr. James Carter - D.E.D.

The initial intent of the meeting was to discuss with Mr. Carter and Mr. Lars Magnuson of Frigoscandia, Inc. this marketing and cold storage concept. Mr. Magnuson, unfortunately, was called back to his company's headquarters in Sweden and was unable to be present, however, Mr. Carter indicated that in the event Frigoscandia became involved in the marketing of these products to Europe, they would want to build a cold storage facility along the Oregon/Washington Coast. The primary cities under consideration are Astoria, Coos Bay, Grays Harbor and Port Angeles, with Astoria being the primary port under consideration for the initial cold storage facility. Prior to establishing a cold storage facility, a marketing study would be necessary to determine the costs involved, not only in the facility, but in determining if the unit price of each of the commodities would be competitive on the European market. This project would hopefully be undertaken by Mr. Carter with the aid of federal funding (EDA/NMFS/State of Oregon) and matching funds from private companies in Europe.

Assuming that the marketing was established, Frigoscandia would, as a minimum, build a facility of 48,000 cubic meters capacity. This would require approximately 25 acres at an overall cost of \$15.00 per cubic meter or a total of \$750,000.00. They would normally be interested in purchasing the land in lieu of leasing it, however, a lease arrangement is a possibility. Today they have the funding for one cold storage facility of this size and possibly two if they did not have to purchase the land. Not only would the European marketing outlets have to be established, but processors in the local communities would have to be affiliated by contract to Frigoscandia to provide sufficient quantities of product to meet the market demand. Frigoscandia requires a minimum of three times annually product turnover within their facility.

The Department of Agriculture representative will be working with Mr. Carter to determine the next step in attempting to acquire federal and/or state funding to complete the marketing analysis.

PROPOSAL SUBMITTED IN RESPONSE TO
DEPARTMENT OF COMMERCE, NATIONAL OCEANIC AND ATMOSPHERIC ADMINISTRATION,
NOTICE OF AVAILABILITY OF SALTONSTALL-KENNEDY FUNDS, GIVEN IN THE FEDERAL
REGISTER/VOL. 45,

NO. 244

DATED WEDNESDAY, DECEMBER 17, 1980 / NOTICES.

TO:

Regional Director National Marine Fisheries Service
1700 Westlake Avenue North
Seattle, Washington 98109



FROM:

The Oceanographic Institute of Washington
152 Denny Way
Seattle, WA 98109



FEDERAL ASSISTANCE

APPLI-
CANT'S
APPLI-
CATION

Leave
Blanka. NUMBER
WA of 13. STATE
APPLICA-
TION
IDENTI-
FIERNUMBER
Follow1. TYPE
OF
ACTION
☐ PREAPPLICATION
☒ APPLICATION
(Mark ap-
propriate
box)
☐ NOTIFICATION OF INTENT (Opt)
☐ REPORT OF FEDERAL ACTIONb. DATE
Year month day
1981 3 2b. DATE
Year month day
ASSIGNED 19 To Follow

4. LEGAL APPLICANT/RECIPIENT

a. Applicant Name Oceanographic Institute of Washington
b. Organization Unit :
c. Street/P.O. Box :152 Denny Way
d. City Seattle
e. County :King
f. State Washington
g. ZIP Code: 98109
h. Contact Person (Name
& telephone No.) : B.G. Ledbetter 464-6272

5. FEDERAL EMPLOYER IDENTIFICATION NO.

23-7025813

6.
PRO-
GRAM
(From
Federal
Catalog)

a. NUMBER

11104217

b. TITLE Fisheries Development &
Utilization Research & Demons-Fet-
grants & Co-op. agreements.

7. TITLE AND DESCRIPTION OF APPLICANT'S PROJECT

See Attachment 1

8. TYPE OF APPLICANT/RECIPIENT

A-State
B-Interstate
C-Substate
District
D-County
E-City
F-School District
G-Special Purpose
District
H-Community Action Agency
I-Higher Educational Institution
J-Indian Tribe
K-Other (Specify):
Non Profit
Enter appropriate letter ☒ K

9. TYPE OF ASSISTANCE

A-Basic Grant D-Insurance
B-Supplemental Grant E-Other Enter appro-
C-Loan appropriate letter(s) ☐ A10. AREA OF PROJECT IMPACT (Names of cities, counties,
States, etc.)All coastal areas
of WA, OR, N. California11. ESTIMATED NUM-
BER OF PERSONS
BENEFITING
5,000 new jobs

12. TYPE OF APPLICATION

A-New C-Revision E-Augmentation
B-Renewal D-Continuation
Enter appropriate letter ☐ A

13. PROPOSED FUNDING

a. FEDERAL \$177,500 .00
b. APPLICANT -- .00
c. STATE -- .00
d. LOCAL \$53,000 .00
e. OTHER \$20,000 .00
f. TOTAL \$ 250,500 .00

14. CONGRESSIONAL DISTRICTS OF:

a. APPLICANT
WA 7th District
b. PROJECT All coast
Dist. WA, OR.16. PROJECT START
DATE Year month day
1981 8 1517. PROJECT
DURATION
36 Months18. ESTIMATED DATE TO
BE SUBMITTED TO
FEDERAL AGENCY ▶ 1981 3 2

15. TYPE OF CHANGE (For 12c or 12c)

A-Increase Dollars F-Other (Specify):
B-Decrease Dollars
C-Increase Duration
D-Decrease Duration
E-CancellationEnter appro-
priate letter(s) ☐ ☐ ☐

19. EXISTING FEDERAL IDENTIFICATION NUMBER

N.A.

20. FEDERAL AGENCY TO RECEIVE REQUEST (Name, City, State, ZIP code)

Regional Director, NMFS, 1700 Westlake N. Seattle, WA 98109

21. REMARKS ADDED

☒ Yes ☐ No22. THE
APPLICANT
CERTIFIES
THAT ▶
a. To the best of my knowledge and belief,
data in this preapplication/application are
true and correct, the document has been
duly authorized by the governing body of
the applicant and the applicant will comply
with the attached assurances if the assist-
ance is approved.b. If required by OMB Circular A-95 this application was submitted, pursuant to in-
structions therein, to appropriate clearinghouses and all responses are attached: No re-
sponse Response
attached(1) Attachment (2)
(2)
(3)☒
☒
☒23. CERTIFYING
REPRE-
SENTATIVE
a. TYPED NAME AND TITLE
Glenn Ledbetter
Executive Director

b. SIGNATURE

GL Ledbetter

c. DATE SIGNED
Year month day
1981 3 2

24. AGENCY NAME

25. APPLICA- Year month day
TION
RECEIVED 19

26. ORGANIZATIONAL UNIT

27. ADMINISTRATIVE OFFICE

28. FEDERAL APPLICATION
IDENTIFICATION

29. ADDRESS

30. FEDERAL GRANT
IDENTIFICATION

31. ACTION TAKEN

☐ a. AWARDED
☐ b. REJECTED
☐ c. RETURNED FOR
AMENDMENT
☐ d. DEFERRED
☐ e. WITHDRAWN

32. FUNDING

a. FEDERAL \$.00
b. APPLICANT .00
c. STATE .00
d. LOCAL .00
e. OTHER .00
f. TOTAL \$.0033. ACTION DATE ▶ 19
Year month day35. CONTACT FOR ADDITIONAL INFORMA-
TION (Name and telephone number)34. Year month day
STARTING
DATE 1936. Year month day
ENDING
DATE 19

37. REMARKS ADDED

☐ Yes ☐ No38. FEDERAL AGENCY
A-95 ACTION
a. In taking above action, any comments received from clearinghouses were con-
sidered. If agency response is due under provisions of Part 1, OMB Circular A-95,
it has been or is being made.b. FEDERAL AGENCY A-95 OFFICIAL
(Name and telephone no.)

Ref. para 13. d and e.

We are still awaiting advises on funding (matching) funds as follows:

Sea First Bank	\$5,000	Cash Will be decided at March meeting of grants committee
Rainier Bank	5,000	Cash
<u>Airlines</u>		
Pan Am In Kind	5,000	Air Freight to Europe, in return for promotional considerations
S.A.S. In Kind	5,000	
British Airways In Kind	5,000	Subject to confirmation in light of conditions in June 1981
<u>Industry</u>		
Castle & Cook, Inc.	5,000	Requested
Del Monte, Inc.	5,000	Requested
Merco Intertrade	3,000	Requested
Port of Seattle	7,500	Questionable value-have own SK funding requests
Port of Everett	7,500	WA Manager to make personel call week/ending 3/6/81
Port of Port Angeles	7,500	
National Fisherman will provide	2,500	space for publicity on bid requests, subject to availability of additional space and subject to confirmation
	<u>\$ 63,000</u>	Not shown on face of Form 424

Further very significant help is given to the program by Oregon State University Extension Program and Washington Sea Grant Program but cannot rank for matching funds since some of their support is in Federal money.

ATTACHMENT 1

7. Title and Description of Applicant's Project

An applied marketing study in certain European markets for the future development of the underutilized species of fish from the Pacific Northwest Region, leading to:

1. An orderly penetration of those markets by the fishing industry of the region, with
2. An applied investigation of possible joint ventures in shore-based processing and manufacturing of value enhanced and frozen food products, using fish, shellfish, cereals, aluminum and many other foods and raw materials, abundant and indigenous to the Pacific Northwestern states, leading to the establishment of a frozen food industry there; and
3. Co-organization of a visiting European fish purchasing and frozen food industry mission in (approximately) the month of May 1982.

ATTACHMENT 2

1. A-95 Clearinghouse
Division of Policy Development &
Planning
Office of the Governor
Pouch AD
Juneau, AK 99811
2. State Clearinghouse
Office of the Governor
1400 Tenth Street
Room 121
Sacramento, CA 95814
3. Marsha Trillwitz
Federal Aid Coordinator
Intergovernmental Relations Division
155 Cottage Street S.E.
Salem, OR 97310
ATTN: Martin Loring
4. Budget and Policy Division
Office of Financial Management
Room 102, House Office Building AL-01-6
Olympia, WA 98504
ATTN: Monica Jenkins

February 6, 1981

PROPOSAL SUBMITTED IN RESPONSE TO

Department of Commerce, National Oceanic and Atmospheric Administration, notice of availability of Saltonstall-Kennedy funds, given in the Federal Register/ Vol. 45,

No. 244, dated Wednesday, December 17, 1980 / notices.

TO: Regional Director National Marine Fisheries Service
1700 Westlake Avenue North
Seattle, Washington 98109

FROM: The Oceanographic Institute of Washington
152 Denny Way
Seattle, WA 98109

FOR: An applied marketing study in certain European markets for the future development of the underutilized species of fish from the Pacific Northwest Region, leading to:

1. An orderly penetration of those markets by the fishing industry of the region, with
2. An applied investigation of possible joint ventures in shore-based processing and manufacturing of value enhanced and frozen food products, using fish, shellfish, cereals, aluminum and many other foods and raw materials, abundant and indigenous to the Pacific Northwestern states, leading to the establishment of a frozen food industry there; and
3. Co-organization of a visiting European fish purchasing and frozen food industry mission in (approximately) the month of May 1982.

PROPOSED FEDERAL FUNDING REQUESTED: (not more than) \$ 178,000.00 first year

PROPOSED MATCHING FUNDS: (subject to final confirmation) \$ 110,000.00

DURATION OF PROJECT: July 1, 1981 to June 30, 1982
July 1, 1982 to June 30, 1983*
July 1, 1983 to June 30, 1984

*Outline work plan for year 2 is at Appendix 14. Profit from Trade Mission in year 1 will be applied to reducing Saltonstall-Kennedy funding required for year 2 of project.

LIST OF APPENDICES

- Appendix 1 Literature Cited. Bibliography.
- Appendix 2 Distribution List, Pre-proposal.
- Appendix 3 Critical Review List, this Proposal. Requests for matching funds.
- Appendix 4a Value British Fish & Chip Market. Bottom on col. 1.
- Appendix 4b Why Fish has had its Chips.
- Appendix 5 The Journal, December 1980. "Foreign fleets are not more profitable because of subsidies -- they recover higher percentages." Quote from CH2M Hill study.
- Appendix 6a Management Chart 1.
- Appendix 6b Management Chart 2.
- Appendix 6c Management Chart 3.
- Appendix 7 Financial Statement and Matching Funds.
- Appendix 8 Investment figures, Dept. of Commerce 1978 and London Sunday Times, September 21, 1980.
- Appendix 9 Itinerary and Seminars for Proposed Trade Mission.
- Appendix 10 Whatcom County Study. Washington Sea Grant Program, Peter Granger 1977.
- Appendix 11 Area Development. Effects of a new plant on the local economy 1980.
- Appendix 12 Fishery Profile. Government of Newfoundland, Canada.
- Appendix 13 Seafood Article, Seattle Port Intelligencer, p. C.2., July 27, 1980.
- Appendix 14 Outline work plan for year 2.

APPENDIX 1

Literature Cited

- United States Fisheries, Department of Commerce, NOAA, Prospectus for Development. p. 157(1), May 1980.
- Pacific Northwest Marine Fish, State of Washington, Department of Fisheries, p. 13. 2nd printing, September 1978.
- London Sunday Times, September 14, 1980. Retail value fish and chip sales.
- London Sunday Times, June 22, 1980. Why fish has had its chips (CQ).
- Report of the Comptroller General of the United States, General Accounting Office, May 7, 1980. Developing markets for fish not traditionally harvested by the United States. Problems and Federal role.
- Federal Register, Wednesday, December 17, 1980, page 83158, col 3d.
- Prospectus for the development of United States fisheries, Department of Commerce and NOAA Development Task Force, May 20, 1980.
- Seafood, Handling, Preservation & Marketing. Technical papers, Washington Sea Grant Program, University of Washington, 1978.
- Marketing Alternatives for Fishermen. Texas A&M University Sea Grant Program, May 1980. Authors: John P. Nichols, Project Leader, A&M University; James C. Cato, University of Florida; William Lesser, Cornell University; Fred Olsen, NMFS; Fred J. Prochaska, University of Florida; Frederick J. Smith, Oregon State University; James A. Wilson, University of Maine.
- Intersectorial distribution of risk. An impediment to fishery development. Frederick J. Smith, Professor and Marine Economist, Oregon State University.
- Coping with the Economic Crisis in Agriculture. Staff paper Series 3, 1980. Texas Agricultural Experiment Station, Texas A&M University System.

Appendix 2

LIST OF ADDRESSES FOR PRE-PROPOSAL CIRCULATION, APRIL/MAY 1979

Mr. Richard Frank, Adm. NOAA, US Dept of Commerce, Washington DC
Mr. Leonard Saari, Region X, US Dept of Commerce, Washington DC
Mr. James P. Walsh, Deputy Administrator, NOAA, US Dept of Commerce, Washington DC
Mr. Fred Schenck, Deputy Under Sec of Commerce, US Dept of Commerce, Washington DC
Mr. Richard Garnitz, Dir Off of Export Marketing Asst, US Dept of Commerce,
Washington DC
Mr. Jack Whitley, Germany & Austria Marketing Section, US Dept of Commerce,
Washington DC
Mr. Peter Field, France and Benelux Marketing Section, US Dept of Commerce
Washington DC
Mr. E. Marvin Baldwin, UK and Scandinavia Marketing Section, US Dept of Commerce,
Washington DC
Mr. Frank Weil, Asst Sec for Industry & Trade, US Dept of Commerce, Washington DC
Dr. Paul Anton, Dept Dir, Dept of Commerce & Industry, State of Washington
Mr. W. Wick, Dir, Sea Grant Program, Oregon State University
Dr. S. Murphy, Dir, Sea Grant Program, University of Washington
Dr. Fred J. Smith, Professor, Agri & Resource Economics, Oregon State University
Dr. Richard S. Johnson, Asso Prof, Agri & Res Econ, Oregon State University
Mr. W. V. Yonker, National Cannery Association, Seattle
Mr. Barry Fisher, South Beach, Oregon
Congressman Don Bonker, House of Representatives, Washington DC
Congressman Joel Pritchard, House of Representatives, Washington DC
Mr. Bob Balkovich, Fisheries Dev Section, NMFS, Seattle, Washington
Dr. Alyn Duxbury, Asst Director (Ops) Div of Marine Resources, University of Washington
Ms. L. Chaves-Michel, Fisheries Dev Section, NMFS, Seattle, Washington
Professor J. J. Sullivan, School of Bus Ad, University of Washington
Mr. Tom Cox, Research & Services Procurement Div, US Dept of Commerce, Washington DC
Mr. John Hinman, Administrative Operations Div, NOAA, Seattle
Mr. Justin Wunderley, Regional Director, Dept of Commerce, Seattle
Mr. Norwell, Wash State Rep to Pacific NW Regional Commission
Mr. Howard Traver, Oregon State Rep to Pacific NW Regional Commission
Mr. Lloyd Howe, Idaho State Rep to Pacific NW Regional Commission
Dr. Richard Wright, Research Office Outer Continental Shelf, Governors Office, Alaska
Mr. Jack Doyle, Director, Alaska Sea Grant Program
Mr. Bill Jensen, PhD Candidate, Agri & Resource Economics, Oregon State University
Mr. W. Lotto, Puget Sound Development Council, Seattle
Mr. W. Nordby, Puget Sound Development Council, Seattle
Mrs. Pansy Bray, Consumer Advisor to Pacific Fishery Management Council, Hoquiam
Representative John Martinis, Chairman, Pacific Fishery Management Council
E. Charles Fuller, Vice-Chairman, Pacific Fishery Management Council
Professor Vladimir Kaszynski, Institute of Marine Studies, University of Washington
Mr. Ruthford, Icicle Seafood Company, Seattle
Mr. Chuck Meachem, Director of Foreign Affairs (Comm. Fishery), Governors Office,
Alaska
Mr. J. Edenso, Spec Asst for Bottom Fisheries, Governors Office, Alaska
Mr. John Everett, Fisheries Dev Div, NOAA, US Dept of Commerce, Washington DC
Mr. Roy C. Stevens, formerly Fisheries Dev Div, NMFS, resident Seattle
Mr. G. Ledbetter, Dir, Oceanographic Institute of Washington, Seattle
Senator W. Magnuson, Senate Building, Washington DC
Dr. R. Wright, Outer Continental Shelf, The Governors Office, Alaska